

802.50

Verne, B. Michael

From: [REDACTED]  
Sent: Tuesday, April 04, 2006 10:03 AM  
To: Verne, B. Michael  
Subject: Question

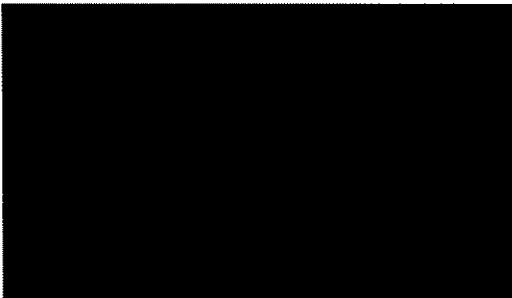
Here are the facts underlying my recent voicemail message.

1. American company is building a telecommunications satellite that has not been launched.
2. A Canadian company owns the rights to a geosynchronous orbit slot located above Canadian territory. Use of that slot is subject to Canadian government regulation. Any satellite using that slot must be owned by an entity that is Canadian controlled.
3. The parties will form a new Canadian entity controlled by the Canadian company.
4. That new Canadian entity will "acquire" the satellite when it is launched into the geosynchronous orbit and grant an immediate perpetual lease of 98% of the satellite capacity back to the American company that built the satellite. (The Canadian entity is required to retain a small portion of the capacity for possible emergency use by the Canadian government.)
5. The American company will operate the satellite and retain all the resulting revenues. The satellite will serve telecommunications customers located both in Canada and in the U.S.

I've thought about whether this might be viewed as

- (a) an acquisition of a foreign asset generating no US sales in the previous year
- (b) an acquisition of a "new facility"
- (c) an acquisition of "investment rental property assets"
- (d) an acquisition "in connection with a lease financing"

Can we chat?



IT IS A FOREIGN  
ASSET.  
N. OVUKA CONCNS.  
B. Michael  
4/7/06

[REDACTED] made the following annotations.

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This message may contain confidential and privileged information. If it has been sent to you in error, please reply to advise the sender of the error and then immediately delete this message.

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